

280 Corporate Center
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December 17, 1996

Dr. William and Mrs. Patricia Steinbrink
122 Columbia Circle
Erie, PA 16505

Re: Genesis Capital Fund, L.P.

Dear Partner:

We have estimated your share of the taxable income or expense through September 30, 1996 as follows:

<u>Ordinary Income (Loss) *</u>	<u>Total Capital Gain (Loss)</u>	<u>Interest Expense</u>
\$720,000	(\$288,000)	\$312,000

* Excludes interest expense

The Partnership has taken the position that for Federal income tax purposes it will be considered to be a trader in securities and that each partner who is an individual may deduct his/her share of expenses of the Partnership (other than interest expense) under Section 162 of the Code as a business expense rather than as an investment expense deductible under Section 212 of the Code.

The net ordinary income (loss) of the trading operation has been reported without taking into account any deduction for interest expense attributable to the trading operation. A partner who materially participates in the trading operation, must reduce (increase) the net ordinary income (loss) from the trading operation by the interest expense. A partner that does not materially participate must report the net ordinary income (loss) as shown and must deduct the allocable interest expense as interest expense subject to the investment interest expense limitation.

The above amounts are through September 30, 1996 and are subject to change during the remainder of 1996.

During 1997 we will send your Schedule K-1 needed for the preparation of your 1996 income tax returns.

Very truly yours,

ROTHSTEIN, KASS & COMPANY, P.C.